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GeoTechnical Services Department
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5/45/060

HOLNAM

Date: 11-5-01

To:
Cheryl Martinez
Mike Ford
Geologists
BLM Field Office
2370 South 2300 West
Salt Lake City, UT
84119
801,977,4360
801-977-4397fax

RECEIVED

NOV 09 2001

DIVISION OF
OIL, GAS AND MINING

Subject: U - 77778
Plan of Operations - Diatomaceous Earth Quarry – Skull Valley, UT

Dear Cheryl and Mike,

Thank you for your quick response to our application.

Per your request in your letter dated Oct. 26, 2001 (copy attached) is additional information for the Plan of Operations in Skull Valley, Utah.

To make discussions easier we have given the dirt roads temporary names; North Trail and Center Road. They could be considered one dirt road, but for discussion purposes two names are easier.

Final Re-contoured shallow depression:

Two topographic maps show the proposed final broad shallow depression. The maps show the depression with and without Center Road. Holnam is open to suggestions from the BLM on whether to keep Center Road or not.

The final slope into the shallow depression will be 3:1, i.e. three horizontal units to one vertical unit. Attached is a cross-section depicting a slope contour.

Overburden stockpile sites:

Another attached map shows the proposed concurrent quarry development. Holnam will keep the overburden stockpile as close to each annual pit as possible and redistribute the overburden at the end of each concurrent mining activity.

It is Holnams intention to leave each concurrent pit in a reclaimed condition. The reasoning behind this is the small acreage of each concurrent pit and the economy of using the temporary mining equipment for the reclamation work. No mining equipment will be stored on site between concurrent mining.

Access to each concurrent mine site will be either from North Trail or Center Road or via a concurrent temporary haul road to a specific pit. The temporary haul roads will be reclaimed at the same time as the concurrent pit. Overburden taken from the temporary haul roads will be stockpile linearly along the side of the temporary haul road and redistributed as the last activity.

Any questions will be promptly answered and any additional information can be quickly forwarded to you.

Yours and Mike's efforts are deeply appreciated.

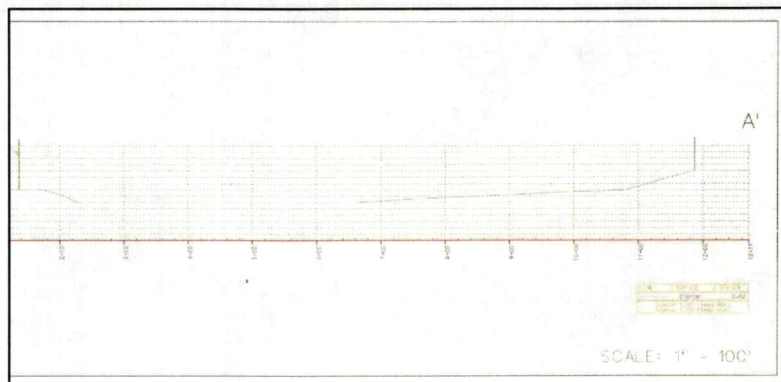
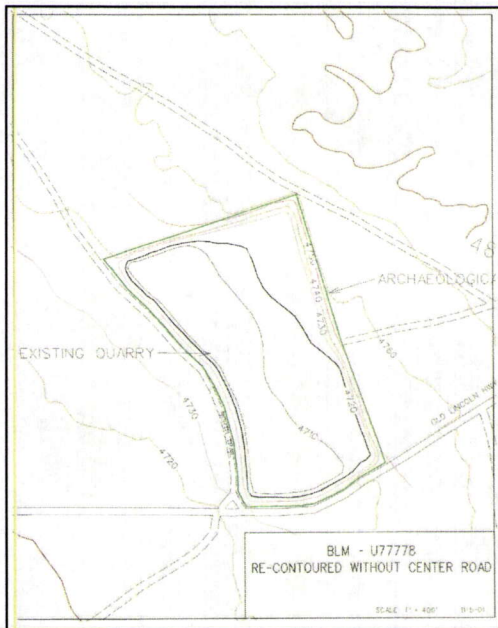
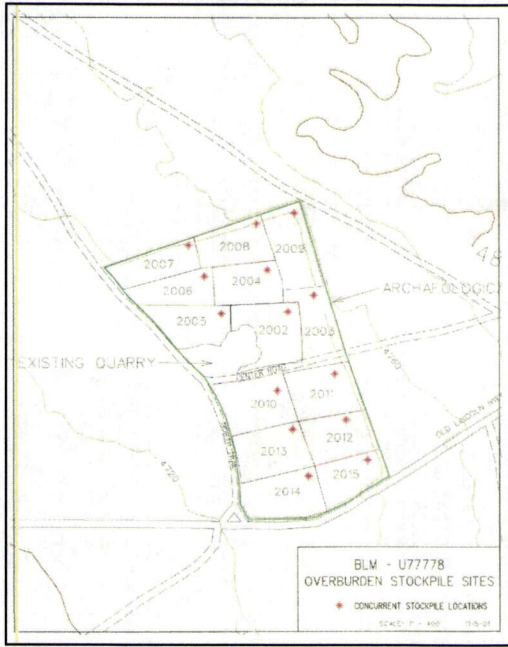
Sincerely,



Thomas Newman, CPG

Attachments – Four maps, one cross-section

CC: Roy Stienmier – Holnam Chief Geologist
Dave Nelson – Holnam Attorney
Todd Richards – Holnam Legal Corporate Counsel
Chester Goodson – Holnam Devil's Slide Plant Manager
Chris Robinson – CRLL
Tom Munson – Utah DNR - DOGM





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake District Office
2370 South 2300 West
Salt Lake City, Utah 84119

IN REPLY REFER TO:

3809
U-77778
(UT-023)

OCT 26 2001

Thomas Newman
Holnam Incorporated
GeoTechnical Services Department
P.O. Box 1468
LaPorte, Colorado 80535-1468

Dear Mr. Newman:

On September 14, 2001, we received your Plan of Operations to conduct mining activities on the Diatomics mining claims (UMC 362249, 362250, 362256 and 364711) in T. 6 S., R. 7 W., Section 7. Your Plan of Operations has been assigned serial number U-77778. Please refer to this serial number in all future correspondence relating to this Plan.

At your earliest convenience, please provide the following information to consider your Plan of Operations complete:

1. The Plan mentions that CRLI will stockpile overburden material for later use in reclamation. Submit a map identifying the location of the stored topsoil used for concurrent and/or final reclamation. On the stored topsoil map or a topography map note all of the existing access route(s) planned for hauling.
2. In your submitted Plan, you indicate that the pit walls would be re-contoured into a broad, shallow depression. Please specify the approximate final slope for the pit walls. Also, include a sketch of the anticipated topography after pit reclamation.

In a few weeks, a separate letter would be sent to you addressing the final reclamation cost estimate on your operations. Also, our office needs an additional 30-60 days to complete the environmental review as required under the National Environmental Policy Act.

Thank you for your cooperation. If you have any questions, or require additional information, please feel free to contact Cheryl Martinez of my staff at (801) 977-4371.

Sincerely,

Alice Stephenson

Assistant Field Manager
Non-Renewable Resources

cc: D. Wayne Hedberg